

General disclosures

As a business area within the SEB Group, SEB Asset Management adheres to SEB AB's policies and guidelines where applicable. In addition, the Board of Directors of SEB Asset Management Holding AB and the Boards of Directors of each subsidiary company (SEB Asset Management AB, SEB Funds AB and SEB Alternatives AB) have adopted SEB Asset Management's Sustainability Policy. This policy provides the overarching framework for the organisation's sustainability ambitions and integration efforts.

Sustainability governance

Board of Directors and governing documents

The Board of Directors have the ultimate responsibility for the sustainability practices within the business area. As part of this, the Board of Directors decide on the Sustainability Policy and the Principles for Shareholder Engagement.

Sustainability Oversight Committee

SEB Asset Management's Sustainability Oversight Committee monitors sustainability-related risks.

Product Forum

SEB Asset Management's Product Forum decides on key matters relating to new product launches, including product classification according to SFDR.

Sustainable Investment and Exclusions Forum

SEB Asset Management's Sustainable Investment and Exclusions Forum:

- Evaluates and decides whether investments in liquid products, shares and corporate bonds can be classified as sustainable investments under SFDR;

- makes decisions regarding exclusions and divestments based on the Sustainability Policy; and
- makes decisions regarding exceptions from the policy, such as transition companies.

Portfolio managers and product managers

The portfolio managers integrate sustainability into their analyses and investment processes, while product managers focus on sustainability and coordinate across asset classes for all

products. Internal processes monitor sustainability issues continuously in collaboration with independent control functions, such as Compliance, Risk Oversight, and Internal Audit. The Sustainability team, in cooperation with portfolio managers, conducts engagement dialogues as part of active ownership activities.

Strategy

SEB Asset Management invests with the objective to provide attractive, long-term

financial returns to unitholders and customers. At the same time, SEB Asset Management provides long-term economic, social and environmental value for its unitholders, owners, and society at large. SEB Asset Management believes that companies with sustainable business models or transition strategies are more likely to succeed and to generate higher returns for unitholders.

SEB Asset Management prioritises transparency and continuous improvement in identifying sustainability risks and opportunities.

Targets and strategies for specific sustainability areas, including climate change, biodiversity, water, human rights, and business ethics, are elaborated upon in the subsequent sections.

SEB Asset Management's sustainability governance structure



Policy update

SEB Asset Management adopted an updated Sustainability Policy to further clarify scope and governance and refine key positions and exclusion criteria.

[Read the policy here.](#)



Methods for impact, risk and opportunity management

To mitigate negative impacts on people and the planet, and to seize opportunities in the transition to more sustainable societies, SEB Asset Management’s engagement is based on three main methods: **Exclusion, Integration and Active ownership** (see illustration to the right). For full disclosure, please read our [Sustainability Policy](#).



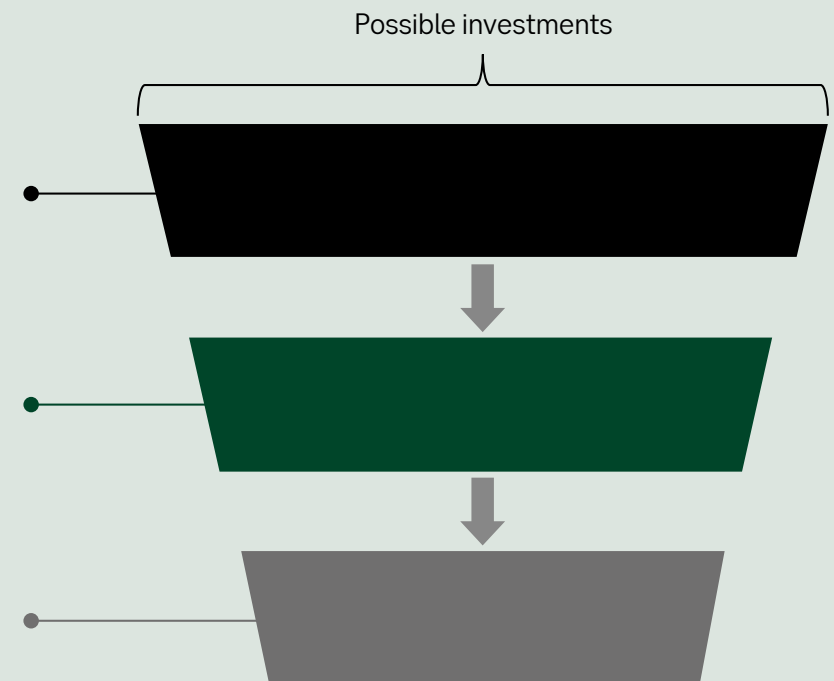
Exclusion: We refrain from investing in companies or industries for sustainability-related reasons, such as those with norm-based issues¹ or involvement in activities like fossil fuel extraction or tobacco production.



Integration: We integrate sustainability into our investment decisions and prioritise companies that embed sustainability into their operations, such as by advancing gender equality and reducing climate impact.



Active ownership: We use our ownership influence to promote more sustainable development through, for example, engaging in dialogue, voting at annual general meetings, and participating in nomination committees.



¹ Norm-based exclusions are related to companies with verified breaches of international norms and conventions regarding social issues, the environment and governance.

Exclusion

Exclusion is used to limit exposure to industries and companies that have a significant negative impact on people or the planet. The criteria are set to govern and minimise the most important sustainability risks, for people, the planet and the funds' unitholders. Read more about our exclusion criteria in our [Sustainability Policy](#).

Exclusion criteria

The funds exclude investments in companies that operate in sectors or business areas that are assessed to present major sustainability challenges.

Exceptions can be made for companies demonstrating clear goals and active transitions.

— Fossil-based exclusions
Norm-based exclusions
Product-based exclusions

+ Transition, see page 27.

Integration

Integration is focused on the investment decisions process, where different sustainability aspects are included. By integrating analyses of risks and opportunities related to the environment, social responsibility and corporate governance issues in all investment decisions and engagements, SEB Asset Management continuously handles both risks and opportunities related to sustainable development. In practice, this includes, for example, the identification of sustainable and innovative business models, resource-efficient operations, as well as analysing policies and processes set up to reduce negative

environmental impact.

As a part of their sustainability integration, most portfolio managers use our proprietary sustainability scoring model SIMS-S. The model includes both risks and opportunities concerning the environment, social sustainability as well as aspects of governance when making investment decisions.

More asset specific integration methods are described on page 25, and details related to which sustainability aspects are in focus for different sustainability areas, such as (climate, biodiversity, water, etc.) are described on pages 26-36.

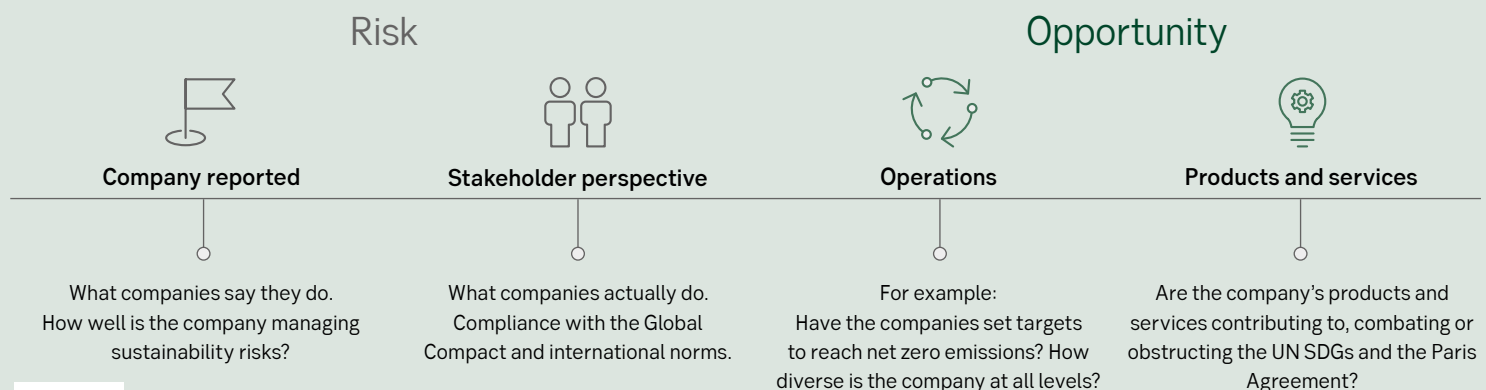
Active ownership

Active ownership consists of the work that SEB Asset Management exercises as an owner in investee companies. This includes voting at annual general meetings, nomination committee work and dialogues with companies' boards of directors and management. Furthermore, SEB Asset Management may exercise influence and conduct dialogues through collaboration with other stakeholders.

For more details, see our Active Ownership Report on page 37-46.

SIMS-S

The SIMS-S model focuses on risks and opportunities related to sustainable development in company management, products, services and operations, using metrics such as alignment with the Paris Agreement, carbon footprint, gender diversity, taxonomy alignment and SDG revenues.



See how our sustainability analysis model SIMS-S works in practice.

Click on the link or scan the QR-code below with your phone to watch the video. → [Watch the video here](#)

Integration of sustainability in portfolio management

SEB Asset Management has over 100 investment professionals located at three offices in Stockholm, Copenhagen, and Helsinki. The common goal is to generate positive risk-adjusted returns by integrating sustainability across investment strategies.

All the funds, regardless of asset class, are governed by the Sustainability Policy. All equity-, fixed income-, private equity- and real estate funds exclude companies based on the exclusion criteria in our [Sustainability Policy](#).

Many equity and fixed-income managers use the proprietary **SIMS-S** model, which evaluates sustainability risks and opportunities for primarily listed companies. Similarly, active ownership is used proactively and directly with holdings in the Nordics, as well as the larger global holdings. Both practices are described on page 26. Additional details can be found in our Active Ownership Report on page 37-46.

Fundamental equities

Fundamental analysis of company performance and outlook, including sustainability data (incl. SIMS-S).

Systematic investments

Systematic integration of sustainability data and SIMS-S into the investment process.

Fixed income

Primarily based on fundamental analysis using SIMS-S and other sustainability data.

Since the purpose of a green bond is to contribute to environmental goals, sustainability considerations are integral.

xAsset investments

Investments in a broad range of asset classes, sectors, regions, and instruments, both through direct investments and via our own or external funds. This diverse mix of investments necessitates tailored sustainability approaches.

Microfinance

In-depth evaluations of microfinance institutes' operations are conducted. These evaluations assess how institutes engage with end clients and, for example, how they help to reduce financial illiteracy and equip borrowers with the tools and knowledge to avoid becoming over-indebted.

Private equity

Sustainability is fully integrated into the investment process and is included in all investments. It is also an integrated part of evaluating partners and collaborations.

For Nordic holdings, the investment team is typically represented on each company's Board. For global investments, we collaborate with other private equity firms and influence our partners and holdings either directly or through the Limited Partner Advisory Committee (LPAC).

The Private Equity team works closely with entrepreneurs, management teams and partners, advocating for sustainability initiatives in all relevant forums.

Real estate and infrastructure

The investment process involves evaluating an asset's EU taxonomy eligibility and alignment, risk assessment, resilience, environmental certifications and sustainability potential.

The real estate team focuses on many aspects, including improving energy efficiency, reducing carbon emissions, minimising environmental impact and increasing access to renewable energy.

The infrastructure team focuses on increasing the share of renewable energy in energy systems. Investments include small-scale renewable energy assets in the Nordics, such as solar, wind and hydro, that may require refurbishment to increase energy output.

Metrics and targets:

Assets under management in Article 9 funds²

25bn
AUM

2.6%
of total AUM

Share of sustainable investments in equities

55%
of AUM

Share of sustainability labelled bonds

8%
of total AUM
24%
of AUM in bonds

Source: SEB Asset Management per 31 December 2025.

² See definition on page 55.

Climate change

SEB Asset Management's goal is to achieve net-zero greenhouse gas emissions by 2040 for the total assets under management in funds. In 2021, a strategy was established with interim targets set for 2025 and 2030. SEB Asset Management renewed its commitment to the Net Zero Asset Managers initiative and is now in the process of adjusting the targets and strategy.

Strategy

SEB Asset Management's efforts in reducing invested emissions are monitored continuously, and in line with the current interim targets (baseline 2019):

- Achieve a 50 per cent reduction in invested greenhouse gas emissions by 2025
- Achieve a 75 per cent reduction in invested greenhouse gas emissions by 2030

These targets were set in 2021. As considerable reductions of our invested emissions have been achieved and in conjunction with the recommitment to the Net Zero Asset Managers initiative, the targets are due to be updated. Read more about this on page 15.

In line with the Sustainability Policy, SEB Asset Management's approach to fossil fuels is stringent. Our funds exclude companies that extract or process fossil fuels, including unconventional fossil fuel extraction, such

as oil sands and deep-sea drilling. Similar exclusions apply to power generation and distribution of fossil fuels. Exceptions may be made for companies in transition (see "Transition" section on page 27) that have set clear emission reduction targets in line with the Paris Agreement and clear investment plans for achieving these targets. Engaging with companies is an important strategic tool for understanding how a company's activities affect and are affected by climate change. SEB Asset Management can support companies in setting emission reduction targets and incorporating ESG-related targets into incentive structures. This is done through active ownership, either by engaging directly with the company or in partnership with other investors.

During 2025, SEB Asset Management conducted 268 dialogues on climate change with 180 companies³.

Climate collaborations

CDP (Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Since 2018 SEB Asset Management has engaged with companies on water stewardship and other topics.

Climate Action 100+ (CA100+) is an investor-led initiative to engage with the world's largest corporate carbon emitters to ensure that they take necessary action on climate change. SEB Asset Management joined the initiative in 2018.

Institutional Investor Group on Climate Change (IIGCC) aims to address climate change-related risks and opportunities in investment practices. IIGCC provides a platform for investors to share knowledge, engage with policymakers, and advocate for policies that support the transition to a low-carbon economy.

Net Zero Asset Managers initiative (NZAM) In 2021, SEB Asset Management joined the Net Zero Asset Managers initiative, an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. Recently, the initiative has reviewed its approach and commitment statement. Our commitment to the net zero transition remains resolute, and as part of the relaunch SEB Asset Management renewed its commitment in early 2026.

³ This represents the number of dialogues that can be linked to SEB Asset Management's different engagement themes.

Transition

SEB Asset Management has clear criteria for assessing transition companies. These companies may currently have considerable revenues derived from fossil fuels but are on a path to reduce these. By the end of 2025, the total number of active transition cases, across all funds, was 23 (see [SEB Asset Management Exclusion and Transition](#)).

All transition companies need to demonstrate a credible plan for a transition from fossil fuel with interim targets, Scope 3-emission transparency and a credible CapEx-plan. Portfolio managers are responsible for conducting the analysis of these criteria and all transition companies are approved and overseen by the Sustainability team.

How we decide if a company is eligible for transition assessment:

Eligible

When we decide whether a company is eligible for transition assessment, we consider whether it:

- Meets the minimum requirements of our Sustainability Policy from a conduct-based perspective. For example, the company's activities should follow international norms, conventions, and environmental regulatory frameworks such as the UN Guiding Principles, UN Global Compact, OECD and ILO;
- has high future potential to contribute to the achievement of the Paris Agreement and UN Sustainable Development Goals (SDGs) through its products or services, even if the business activities are not yet fully aligned;
- has a strategic decarbonisation plan with a concise, measurable transition time frame as part of the company's transition strategy. This time frame can vary, but should be transparent from a capital expenditure (CapEx) perspective; and
- is open to investor dialogue and commitment to science-based targets (SBT) or emission reductions targets in line with other frameworks.

Willingness

We assess a company's strategic understanding of and plan for transitioning away from fossil fuels, including:

- Adherence to and implementation of frameworks such as SBTi, TCFD, EU taxonomy or other relevant present and future sustainability regulatory frameworks;
- a scenario analysis of the company's business model and its strategic plan to adapt and manage climate risk in line with its business model; and
- management buy-in and company sustainability KPIs.

Readiness

We assess a company's current operational preparedness to assess if the business model can be transformed to align with the Paris Agreement within set timeframes, including:

- Products or services that enable the transition to a low carbon economy;
- alignment with average sectoral decarbonisation, i.e., is the company a climate leader or laggard compared to peers; and
- energy efficiency, scope 1, 2 and 3 emissions.

Action

We examine a company's actual work and its investments towards achieving alignment with the Paris Agreement. A company must demonstrate its financial commitment to strategic plans, including:

- Investments related to transition energy efficiency or other climate-related investments that can be identified in company accounting and reporting;
- assessment of investment plans going forward and evaluation of the effects of capital expenditure; and
- fulfilment of the company's medium/long-term decarbonisation targets at the company level, such as science-based target adherence.

Impact, risk and opportunity management

In addition to the exclusion and transition strategy focused on fossil fuels, SEB Asset Management integrates revenue streams that contribute to SDG 13 – Climate Action, Science Based Targets (SBT), physical risks, and greenhouse gas (GHG) emissions for Scope 1, 2 and 3 (from the GHG Protocol)⁴ in the investment process.

Other climate-related data points are also included in the SIMS-S score. SEB AM's Sustainability Oversight Committee (SOC) monitors SIMS-S score on top-level and with relevant comparisons to oversee climate risks among other investment related sustainability risks.

Investing in green technology and renewable energy is an essential aspect of financing the transition. SEB Asset Management offers its clients the possibility to invest in this opportunity through multiple Article 9 funds focused on climate solutions and, in particular, renewable energy:

- SEB Global Climate Opportunity Fund
- SEB Climate Focus High-Yield Fund
- SEB Green Bond Fund
- SEB Nordic Energy
- SEB Nordic Future Opportunity Fund

Metrics and targets

Our commitment is to reach, on an aggregated level, net zero greenhouse gas emissions by 2040 for the assets managed in funds. In line with this commitment, SEB Asset Management is a signatory of the Net Zero Asset Management initiative (NZAM) and is therefore reporting our progress via PRI (Principles for Responsible Investments) in addition to the internal governance monitoring and reporting.

The transition to carbon neutrality – insights from our engagement dialogues

SEB Asset Management is raising its level of ambition in proactive engagement dialogues with our largest holdings, particularly those that are significant emitters of greenhouse gases (GHG). This commitment is driven by SEB Asset Management's goal of achieving net zero greenhouse gas emissions by 2040. The aim of the dialogues is to influence and support companies in their transition toward sustainable business models.

Most of the targeted companies appreciate the dialogue, the questions, and the outside perspective on key issues. Whenever possible, the aim is to provide examples of solutions and best practices from other companies, creating valuable insights and strengthening transition efforts.

The dialogues have shown that the transition to carbon-neutral operations is complex and long-term. Three recurring challenges have been highlighted by companies:

- Customer willingness to pay,
- regulatory frameworks and policy support, and
- insufficient infrastructure.

See case example of electrification of transportation on next page.

⁴ GHG emissions correspond to the total amount of invested carbon dioxide and other greenhouse gases emitted by investee companies and is measured in tonnes of carbon dioxide equivalents (tCO₂e). Scope 1 and 2 encompass emissions that are invested or controlled by a company, e.g. generated by the companies' operations and their energy consumption. Scope 3 encompasses emissions that are not produced by the companies themselves and are not the result of activities from assets invested or controlled by them, but by those that are indirectly responsible up and down its value chain.

Source: SEB Asset Management and ISS ESG per 31 December 2025.

In 2021, SEB Asset Management established the net zero strategy and interim targets:

- Achieve a 50 per cent reduction in invested greenhouse gas emissions by 2025
- Achieve a 75 per cent reduction in invested greenhouse gas emissions by 2030

Since then, considerable reductions in invested emissions have been made. The chart to the right shows the progress of assets under management in SEB-labelled mutual funds since the baseline year of 2019 through 2025.

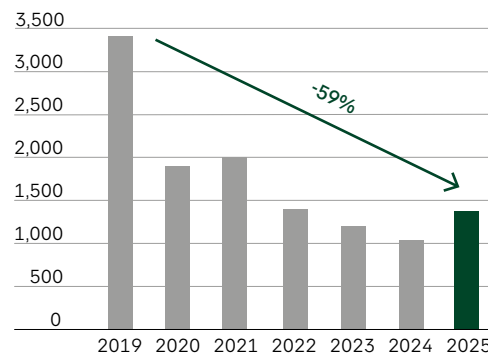
The overall downward trend reflects continued decarbonisation across the investments. The increase in invested emissions observed between 2024 and 2025 is primarily driven by improved data coverage resulting in the inclusion of emissions that were previously unreported. This reflects strengthened data quality and transparency rather than a deterioration in underlying performance.

During the same period, the share of investments where investee companies have approved or committed science-based targets (SBT) has increased from 19 per cent in 2019 to 61 per cent.

Among the remaining, 19 per cent have targets (but not ambitious) and 9 per cent have no targets. This number is adjusted for coverage, which corresponds to 93 per cent. The share of taxonomy eligible and aligned AUM 2025 is 32 per cent, and 6 per cent, respectively – the share of AUM that is aligned out of the eligible share is 20 per cent.

Absolute greenhouse gas emissions from our investments

Scope 1 and 2 emissions tCo₂e



The progress of investee companies' science-based targets over time



Case example: Electrification of transportation

Demand for electric transport is rising, but companies say the transition is slowed by high upfront costs and a lack of reliable charging infrastructure across Europe.

Manufacturers and transport operators report that electrified trucks and buses remain more expensive to buy than vehicles powered by fossil fuels. Although operating costs are usually lower, many businesses struggle to manage the higher initial investment.

At the same time, charging networks differ widely between countries. Regulations are developing quickly but are not always aligned, making it difficult for companies to follow one strategy across markets. Different standards, timelines and levels of infrastructure readiness add to the uncertainty.

A key challenge is the broader infrastructure gap. Today, the supply of high power charging stations is still far behind demand, especially along major transport routes. Hydrogen refuelling options are also limited, offering few alternatives for long-distance heavy transport.

For heavy vehicles, reliable public charging and well-designed depot solutions are essential. These vehicles require large batteries that must cope with demanding daily use, and the service models that bring together financing, maintenance and energy supply are still in an early stage of development.

Industry experts say that faster permitting processes, coordinated regulation and more investment in public charging could help accelerate the transition. Several European countries are planning large infrastructure programmes, but operators note that progress varies significantly from region to region.

Background

Electrification of heavy transport is seen as central to cutting greenhouse gas emissions. The pace of the transition depends on grid capacity, charging availability and the development of cost-efficient batteries. Many companies are testing pilot fleets, but large-scale rollouts will require clearer regulation and more consistent infrastructure.

Source: SEB Asset Management per 31 December 2025.